



## **BUDGET BRIEFS**

# **BUDGET HEARINGS:**

### **Week 2**

#### **SUMMARY OF SENATE BUDGET AND FISCAL REVIEW (SBFR) HEARINGS:**

✍✍ **FULL COMMITTEE**

✍✍ **SUB 1 (EDUCATION) MARCH 7**

✍✍ **SUB 2 (RESOURCES & TRANSPORTATION) MARCH 8**

✍✍ **SUB 3 (HUMAN SERVICES) MARCH 8**

✍✍ **SUB 3 (HEALTH) MARCH 12**

#### **FULL COMMITTEE, DIRECTION ON HANDLING VACANCY ISSUE**

***MIKE GENEST, STAFF DIRECTOR***

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✍✍The Committee will meet Thursday, March 22 to hear the statewide vacancy issue that was raised on February 28 by Senators Brulte and Ackerman in their press conference on the "shell game." In the previous meeting of the Committee, the chairman indicated that there would be a joint hearing of Subcommittees 2 and 4 to address this issue. Subsequently, the issue arose with respect to several departments (see below). It is not clear at this time whether the full committee meeting is intended to supercede or augment subcommittee hearings on the issue.

#### **SUB 1 (EDUCATION) MARCH 7**

***ROGER MACKENSEN, CONSULTANT***

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✍✍The Subcommittee heard an overview presentation on the California State University by Chancellor Charles Reed and on the proposed K-12 budget by Superintendent of Public Instruction Delaine Eastin, Secretary for Education Kerri Mazzoni, and the Legislative Analyst's Office.

✍✍The Subcommittee unanimously approved as budgeted \$185 million to fund state's match for K-12 deferred maintenance.

✍✍The Subcommittee "checklisted" \$550 million to eliminate the "PERS reduction" whereby the state withholds from school district revenue limits an amount attributable to the savings that school districts realize by no longer having to make employer contributions to PERS.

✍✍The Subcommittee "checklisted" \$75 million for K-12 revenue limit equalization.

## **SUB 2 (RESOURCES & TRANSPORTATION) MARCH 8**

**ALEX ALANIS, CONSULTANT**

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### **Ground Rules, the Subcommittee agreed to:**

- ~~///~~ consider, on an individual basis, those projects that were removed from the budget by the full committee on March 1, 2001, and to place them on a conditional approval list;
- ~~///~~ withhold action on all CALFED proposals and defer them to a future joint budget and policy hearing;
- ~~///~~ set aside all Proposition 12 funds (except those earmarked for specific projects in the proposition itself); these funds may be used for member requests in the future.

~~///~~**Tahoe Regional Planning Agency.** The Subcommittee approved \$400,000 for an environmental threshold study of Lake Tahoe, \$200,000 and additional staff to complete an environmental improvement study.

~~///~~**Vacancies.** Subcommittee staff indicated that the Subcommittee would *not* take up the vacancy issue with respect to individual departmental budgets, but would instead defer the issue to a joint hearing with Subcommittee 4. Subsequently, as noted above, Senator Peace has scheduled a hearing of the full committee to address the issue on a budget-wide basis.

## **SUB 3 (HUMAN SERVICES) MARCH 8**

**THERESE TRAN, CONSULTANT**

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~~///~~**Recommended amendments to SB 5X (Sher).** Among other provisions, SB 5X appropriates \$120 million to the Department of Community Services and Development (DCSD) to augment the Low Income Home Energy Assistance Program (LIHEAP). The committee adopted an extensive list of recommended amendments to SB 5X, including:

- ~~///~~ Expanding eligibility for energy assistance and utility rate discount programs to 250 percent of the federal poverty level.
- ~~///~~ Designating a minimum of 50 percent of the funds available for weatherization assistance designed to reduce energy demands.
- ~~///~~ Increasing funding for consumer outreach efforts.

These recommendations, adopted on a 2-0 vote, may have future budgetary impact.

## **SUB 3 (HEALTH) MARCH 12**

**SHARON BISHOP, CONSULTANT**

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~~///~~**Discussion, but no action on DHS Vacancies.** Even though the Department of Health Services admitted to “churning” vacant state positions for the sole purpose of retaining them and then revealed that it has overspent its current-year approved budget by at least \$15.5 million, the Subcommittee rejected Senator Haynes’ motions to eliminate just a few (66.3) of the 964 vacancies and capture related current-year and budget-year savings. They did, however, express “bipartisan concern.”

~~///~~**Obvious Plan for Further Health Care Expansions.** In addition to incremental expansions of various health care programs (e.g., Healthy Families last week) with General Fund monies and the backfill with General Fund of any programs funded with Tobacco Settlement dollars, the Subcommittee voted on a 2-1 vote to reject the Administration’s trailer bill language to specify use of Tobacco Settlement funds. Instead, they acted to have all Tobacco Settlement revenue specifically limited to expenditure on health care.

~~///~~**Some Recognition that Costs May Need to be Contained.** Instead of outright approval of various augmentation requests, the Subcommittee established a “Suspense File” of additional funding to be considered at a later date and placed about \$30 million General Fund on the list at this hearing.

For further information, please contact the Senate Republican Fiscal Office, at (916) 323-9221.
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